

DRAM

DEMAND RESPONSE *and* ADVANCED METERING *Coalition*

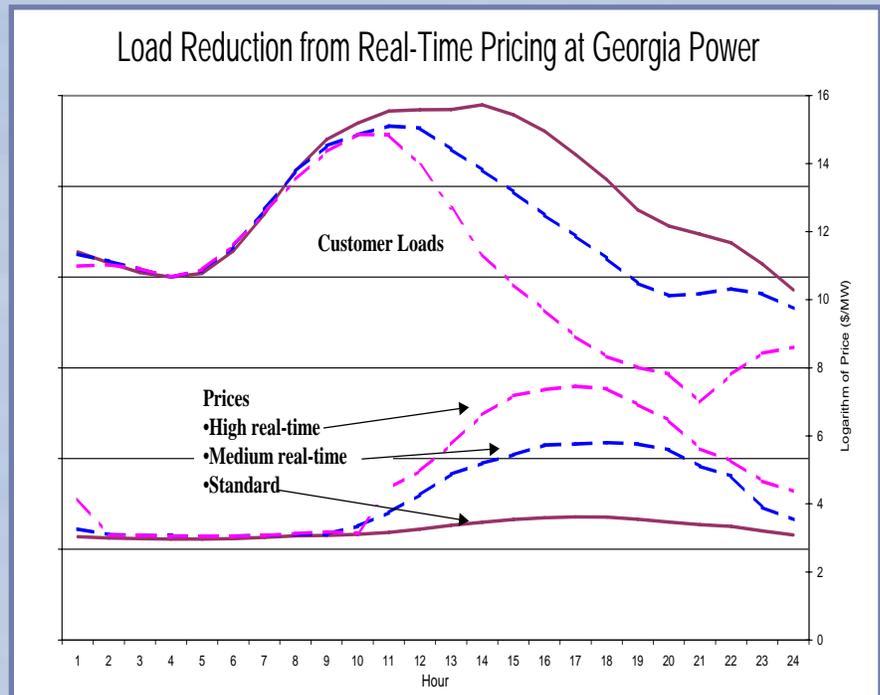
REAL-TIME PRICING CASE STUDY: GEORGIA POWER COMPANY

Georgia Power has the world's largest real-time pricing program. In place for over ten years, the program features:

- 1,700 commercial and industrial volunteer customers
- Total peak demand of 5,000 megawatts (MW)
- Up to 1,000 MW of load reduction
- Predictable load response based on real-time prices charged (see chart)
- Day-ahead and hour-ahead hourly pricing
- High customer satisfaction

The program tariff has two parts. The customer is billed for normal usage—"baseline"—at standard prices. Any usage at the margin, that is above or below the baseline, is billed at the real-time price. Each day, customers decide how much load to reduce from normal, if any. Georgia Power then pays them the real-time price times the amount of load reduced.

Georgia Power's program is part of an Integrated Resource Plan (IRP). In developing the IRP, Georgia Power considers a variety of supply side resources, such as constructing peaker power plants and purchasing wholesale power. The IRP process also includes evaluation of demand-side options, such as real-time pricing. By combining supply and demand-side resources, Georgia Power ensures cost-effective, reliable power for all of its customers.



SOURCE: RTP as a Demand Response Program, Christensen Associates, Peak Load Management Alliance Conference, Fall 2001.